



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

OCT 28 2022

The Honorable Clay Higgins
U.S. House of Representatives
Washington, DC 20515

Dear Representative Higgins:

Thank you for your letter of September 30, 2022, to the Secretary of the Navy and the Secretary of Homeland Security regarding U.S. Navy and U.S. Coast Guard shipbuilding programs. A healthy and diverse industrial base is vital to the Nation's ability to build and maintain Navy ships and craft affordably and is critical to supporting the National Defense Strategy. I am responding to your concerns about the Navy's Landing Craft Utility (LCU) 1700 contract with Swiftships, LLC, on behalf of Secretary Del Toro. You should expect a response from the U.S. Coast Guard regarding the Offshore Patrol Cutter contracts.

In the Detail Design and Construction contract awarded in 2018, Swiftships contracted to deliver the first LCU 1700 craft in November 2020. Currently, the Navy has a total of seven craft under contract at Swiftships, LLC. While Swiftships has not delivered a craft to date, the Navy continues to execute LCU 1700 Class craft with Swiftships.

The Navy needs to replace the existing LCU 1610 Class craft that are currently operating 25-years beyond their intended service life and are difficult to maintain. The Navy's requirement is to have 32 LCU 1700 Class craft in the fleet by 2028 to replace the LCU 1610 Class. Utilizing more than one source to improve the speed of delivering LCU 1700 capability to the Fleet will benefit the Navy and the taxpayer, enhance the shipbuilding industrial base, and reduce the added sustainment costs being accrued by retaining the LCU 1610 Class beyond their planned service life.

Regarding the Littoral Combat Ship program, all ships produced by the two shipbuilders continue to meet contract requirement. No ships built by Austal USA are included in House Amendment 256.

Thank you for your continued support of the Navy and of the shipbuilding industrial base. A similar letter has been sent to Representative Dunn. Please let us know if we can be of further assistance.

Sincerely,

Frederick J. Stefany
Principal Civilian Deputy Assistant Secretary of the Navy
(Research, Development and Acquisition)
Performing the Duties of Assistant Secretary of the Navy
(Research, Development and Acquisition)



Homeland Security

November 14, 2022

The Honorable Clay Higgins
U.S. House of Representatives
Washington, DC 20515

Dear Representative Higgins:

Thank you for your September 30, 2022, letter to the Department of Homeland Security (DHS) and U.S. Navy. With respect to DHS equities, Secretary Mayorkas asked that I respond on his behalf, and I apologize for the delay in my response.

The U.S. Coast Guard (USCG) awarded the Offshore Patrol Cutter (OPC) Stage 2 contract under full and open competition using a best value approach. The acquisition strategy for this contract leveraged best practices and lessons learned from other USCG and U.S. Navy shipbuilding programs. This included industry engagement events, invitations for industry comment on the draft request for proposal, and contracted industry studies to identify potential design or production innovations, in which Eastern Shipbuilding Group (ESG) participated.

Following an extensive and thorough source selection process, USCG awarded the OPC Stage 2 contract to Austal, USA on June 30, 2022. The source selection process required a detailed analysis of technical, programmatic, performance, and cost factors, to include each offeror's production approach. This source selection process included multiple levels of review to ensure a consistent, defensible, and equitable outcome.

In July 2022, ESG filed a protest with the Government Accountability Office (GAO) challenging the award decision. After the USCG disclosed all relevant information and documentation required by GAO and fully responded to the allegations raised, ESG withdrew its protest and GAO closed the case. Subsequently, the USCG authorized the start of work under the Stage 2 contract with Austal, USA.

DHS fully supports GAO's role in providing an objective, independent, and impartial forum for resolving federal contract award disputes. Further, the Department remains responsive to any future legal, investigative, or administrative actions related to this contract award. By DHS policy, sub-Components must comply with all records management laws and applicable regulations, to ensure mission success.

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Thank you again for your letter and your continued support of USCG shipbuilding activities that directly support homeland and national security needs. If you or your staff have any additional questions, please contact the DHS Office of Legislative Affairs at (202) 447-5890.

Sincerely,

A handwritten signature in cursive script that reads "Alice Lugo". The signature is written in black ink and is positioned above the printed name and title.

Alice Lugo

Assistant Secretary for Legislative Affairs
